

SPCO

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application of:

White et al

Serial No.: 09/821,482

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Group No.: 2163

Examiner: Unknown

Docket No. RECOM1100

For: **SYSTEM AND METHOD FOR EVALUATING STRATEGIC BUSINESS ALLIANCES**

**CERTIFICATION UNDER 37 CFR § 1.8**

I hereby certify that the documents referred to as enclosed herein are being deposited with the United States Postal Service as first class mail on this date 21 August 2001, in an envelope addressed to: Assistant Commissioner for Patents, Washington, D.C. 20231

21 August 2001 Terrance A. Meador  
Date Signature

Assistant Commissioner of Patents  
Washington, D.C. 20231

Sir:

**TRANSMITTAL OF FORMAL DRAWINGS**

Transmitted herewith are TWENTY-SIX (26) sheets of formal drawing in substitution for the photocopies of the drawing originally filed.

Respectfully submitted

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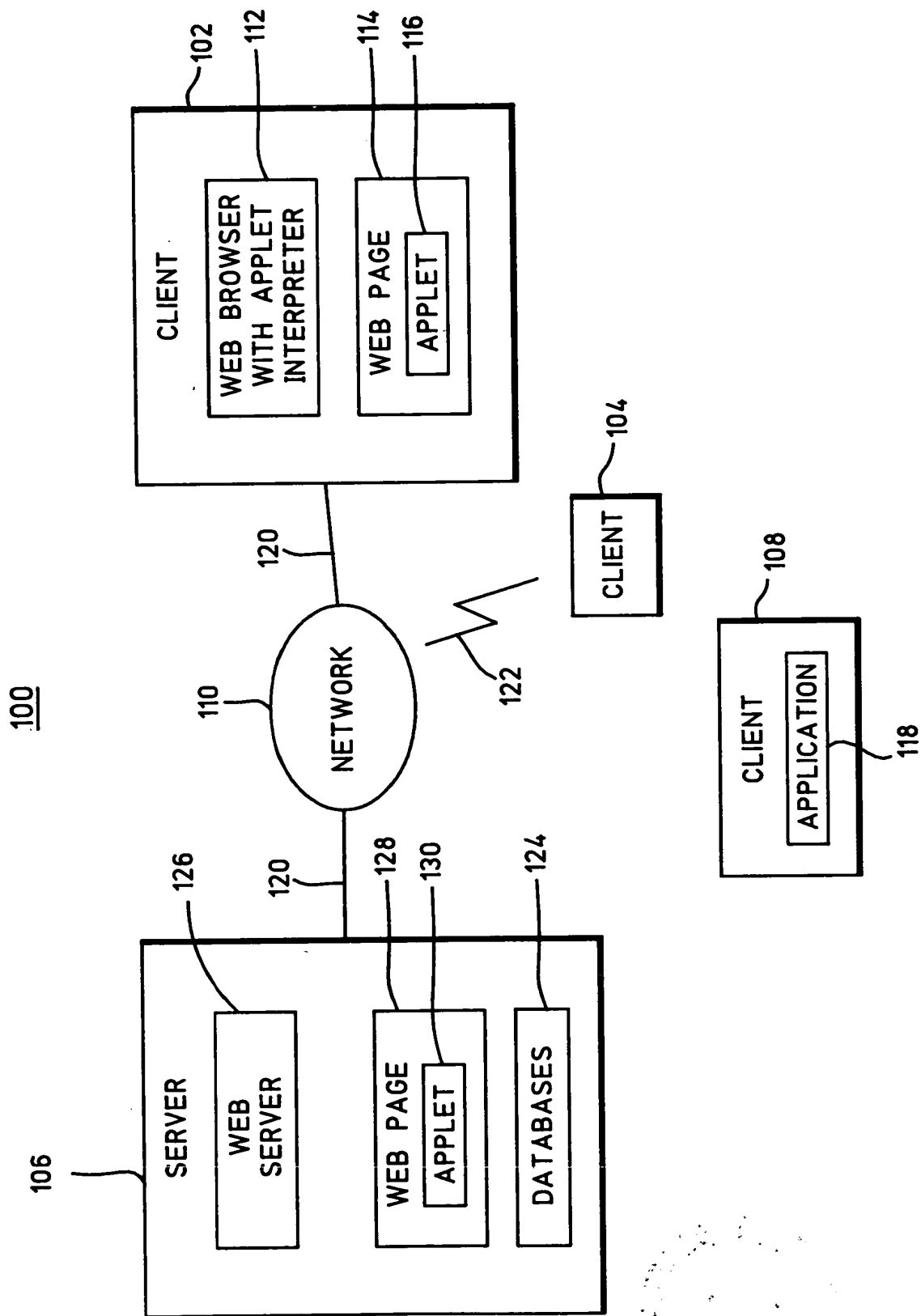


FIG. 1

132

Deal. Structure

134

Dev. Assumptions

136

Sales Assumptions

138

Run

168

Overview

Regions

☒ Research

☒ Second

☒ Third

Precommercial

☒ Guaranteed Payments

☒ Sponsored Research

☒ Milestone Payments

☒ Expense Reimbursements

Postcommercial

☒ Royalty Payments

☐ Profit Split

☐ Supply Agreement

166

140

FIG. 2

132
134
136
138

Deal Structure	Dev Assumptions	Sales Assumptions	Run				
<div style="border: 1px solid black; padding: 5px; display: flex; align-items: center;"> <span style="margin-right: 10px;">Research Region</span> <span>▼</span> </div>							
Research Region development Costs (\$Millions/Year)							
<div style="display: flex; justify-content: space-between; font-size: small;"> <span>Discovery</span> <span>Validation</span> <span>Preclinical</span> <span>IND Filed</span> <span>Phase I</span> <span>Phase II</span> <span>Phase III</span> <span>NDA Filed</span> </div>							
R&D	5.250	7.350	7.350	5.250	0.000	0.000	0.000
Clinical	0.000	0.000	0.000	0.000	1.000	2.000	0.500
Sales	0.000	0.000	0.000	0.000	0.000	0.000	4.000
Manuf.	0.000	0.000	0.000	0.200	1.300	4.100	3.450
Totals	6.300	8.820	8.820	6.500	8.800	6.500	8.850
G&A Rate (%)		20.0					

170
174
172
142

FIG. 3

Deal Structure

Dev Assumptions

Sales Assumptions

Run

Second Region

Second Region Development Costs \$ Millions/Year

Discovery Validation

Preclinical

IND Filing

Phase I

Phase II

Phase III

NDA Filing

Totals

Regional Development Costs Relate to Research Region

R&D

Clinical

Sales

Manuf

Multiplier

0.0

0.8

1.0

0.5

G&A Rate

20.0 %

Time Offset

1.000 Y

FIG. 4

132
134
136
138

Data Structure	Dev Assumptions	Sales Assumptions	Run
<input checked="" type="radio"/> Sim. Sales Curve <input type="radio"/> Flat Sales Curve			
Research Region Peak Annual Sales (\$M/Y)			
Blockbuster	500,000 (15%)		
Above Average	200,000 (20%)		
Average	60,000 (30%)		
Below Average	40,000 (25%)		
Dog	20,000 (10%)		
2nd Region Multiplier 1.300 192 3rd Region Multiplier 1.000 194			

146

FIG. 5

132
134
136
138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<input type="radio"/> Sim. Sales Curve	196	200	202
<input checked="" type="radio"/> Flat Sales Curve			

Odds(%) Sales(\$M/Y) Lifetime(Y) Margin(%)

✓	15.0	500,000	15,000	50.0
✓	20.0	200,000	12,000	40.0
✓	30.0	100,000	12,000	35.0
✓	20.0	50,000	10,000	25.0
✓	15.0	20,000	8,000	15.0

2nd Region Multiplier 1,300 204

3rd Region Multiplier 1,000 206

148

FIG. 6

132

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136

138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<div>168</div> <div>Guaranteed Payments</div> <div>▽</div>			
<div>210</div> <div>Time of Receipt(Y)</div> <div>0.000</div> <div>1.000</div> <div>0.500</div> <div>1.000</div> <div>1.500</div> <div>0.000</div>			
<div>208</div> <div>Payment (Millions)</div> <div>1.000</div> <div>1.000</div> <div>1.000</div> <div>1.000</div> <div>1.000</div> <div>0.000</div>			
<div>212</div> <div>Time values are relative to the commencement of</div> <div>Phase I</div> <div>▽</div>			
<div>150</div> <div>Time values are relative to the commencement of</div> <div>Current Stage</div> <div>▽</div>			

FIG. 7



132
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136
138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Sponsored Research <span style="float: right;">▽</span> </div>			
<div style="border: 1px solid black; padding: 2px;"> Starting Time(Y) </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 3.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>
<div style="border: 1px solid black; padding: 2px;"> Ending Time(Y) </div>	<div style="border: 1px solid black; padding: 2px;"> 3.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 5.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>
<div style="border: 1px solid black; padding: 2px;"> Rate(\$M/Y/or#FTEs) </div>	<div style="border: 1px solid black; padding: 2px;"> 5.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 3.000 </div>	<div style="border: 1px solid black; padding: 2px;"> 0.000 </div>
Time values are relative to the commencement of <span style="border: 1px solid black; padding: 2px;">Target Validation</span> <span style="float: right;">▽</span>			
Express rates as: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <span>⊙ Millions</span> <span>○ Full Time Equivalents FTE Rate (Millions/Year)</span> </div>			
			<div style="border: 1px solid black; padding: 2px;"> 0.200 </div>

152

FIG. 8

132

134

136

138

Deal Structure	Dev Assumptions	Sales Assumptions	Run
<div>168</div> <div>Milestone Payments</div> <div>226</div>			
<div>224</div> <div>154</div>			
<div>Research Region (Millions)</div> <div>Target Validation 0.000</div> <div>Preclin Initiation 0.000</div> <div>Clean Toxicology 0.000</div> <div>IND Filed 0.000</div> <div>Phase II Initiation 0.000</div> <div>Phase III Initiation 0.000</div> <div>NDA/PLA Filed 5.000</div> <div>Approval 0.000</div>	<div>Second Region (Millions)</div> <div>Target Validation 0.000</div> <div>Preclin Initiation 0.000</div> <div>Clean Toxicology 0.000</div> <div>IND Filed 0.000</div> <div>Phase II Initiation 0.000</div> <div>Phase III Initiation 0.000</div> <div>NDA/PLA Filed 5.000</div> <div>Approval 0.000</div>	<div>Third Region (Millions)</div> <div>Target Validation 0.000</div> <div>Preclin Initiation 0.000</div> <div>Clean Toxicology 0.000</div> <div>IND Filed 0.000</div> <div>Phase II Initiation 0.000</div> <div>Phase III Initiation 0.000</div> <div>NDA/PLA Filed 5.000</div> <div>Approval 0.000</div>	

FIG. 9

Deal Structure	Dev Assumptions	Sales Assumptions	Run
Expense Reimbursements ▾			
<div> <div> <div>Research Region (Percent)</div> <div> Discovery 0.0  Validation 0.0  Preclinical 0.0  IND Filed 0.0  Phase I 75.0  Phase II 75.0  Phase III 75.0  NDA Filing 0.0 </div> </div> <div> <div>Second Region (Percent)</div> <div> Discovery 0.0  Validation 0.0  Preclinical 0.0  IND Filed 0.0  Phase I 75.0  Phase II 75.0  Phase III 75.0  NDA Filing 0.0 </div> </div> <div> <div>Third Region (Percent)</div> <div> Discovery 0.0  Validation 0.0  Preclinical 0.0  IND Filed 0.0  Phase I 75.0  Phase II 75.0  Phase III 75.0  NDA Filing 0.0 </div> </div> </div>			

FIG. 10

132

134

136

138

Deal Structure

Dev Assumptions

Sales Assumptions

Run

168

Royalty Payments ▾

238

240

136

R search Region

Rate(%)

7.0

0.0

0.0

0.0

0.0

☐ No Threshold  
☐ Cumulative Threshold  
☐ Annual Threshold

Threshold(\$M)

0.000

0.000

0.000

0.000

0.000

Second Region

Rate(%)

7.0

10.0

0.0

0.0

0.0

☐ No Threshold  
☐ Cumulative Threshold  
☒ Annual Threshold

Threshold(\$M)

300.000

0.000

0.000

0.000

0.000

Third Region

Rate(%)

6.0

8.0

10.0

0.0

0.0

☐ No Threshold  
☐ Cumulative Threshold  
☐ Annual Threshold

Threshold(\$M)

800.000

1600.000

0.000

0.000

0.000

158

FIG. 11

Deal Structure

Dev Assumptions

Sales Assumptions

Run

Profit Split

242

246

248

250

252

254

256

Research Region

Start(Y)

Finish(Y)

Take(%)

0.00

5.00

50.0

0.00

0.00

70.0

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

# Splits

Two

Second Region

Start(Y)

Finish(Y)

Take(%)

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

# Split

One

Third Region

Start(Y)

Finish(Y)

Take(%)

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

0.00

0.00

0.0

# Split

One

FIG. 12

Deal Structure

Dev Assumptions

Sales Assumptions

Run

Supply Agreement

Research Region

Rate(%)

30.0

☒ Net Sales Based
 ☐ CoGS Based

Second Region

Rate(%)

150.0

☒ Net Sales Based
 ☐ CoGS Based

Third Region

Rate(%)

150.0

☒ Net Sales Based
 ☐ CoGS Based

FIG. 13

Deal Structure

Dev Assumptions

Sales Assumptions

Run

10.0

10000

Rate

Iterations

Current

Dev

Stage

Preclinical

Run

Graph

100.0

75.0

100.0

40.0

100.0

70.0

80.0

90.0

Likelihood of Success

Discovery

Validation

Preclinical

IND Filed

Phase I

Phase II

Phase III

NDA Filing

45.365

19.935

25.430

Mean (\$M)

R&D Company

Client Company

13.990

-1.740

-12.251

Median (\$M)

Unpartnered NPV

R&D Company

Client Company

13.650

40.940

12.150

Success (%)

Unpartnered NPV

R&D Company

Client Company

FIG. 14

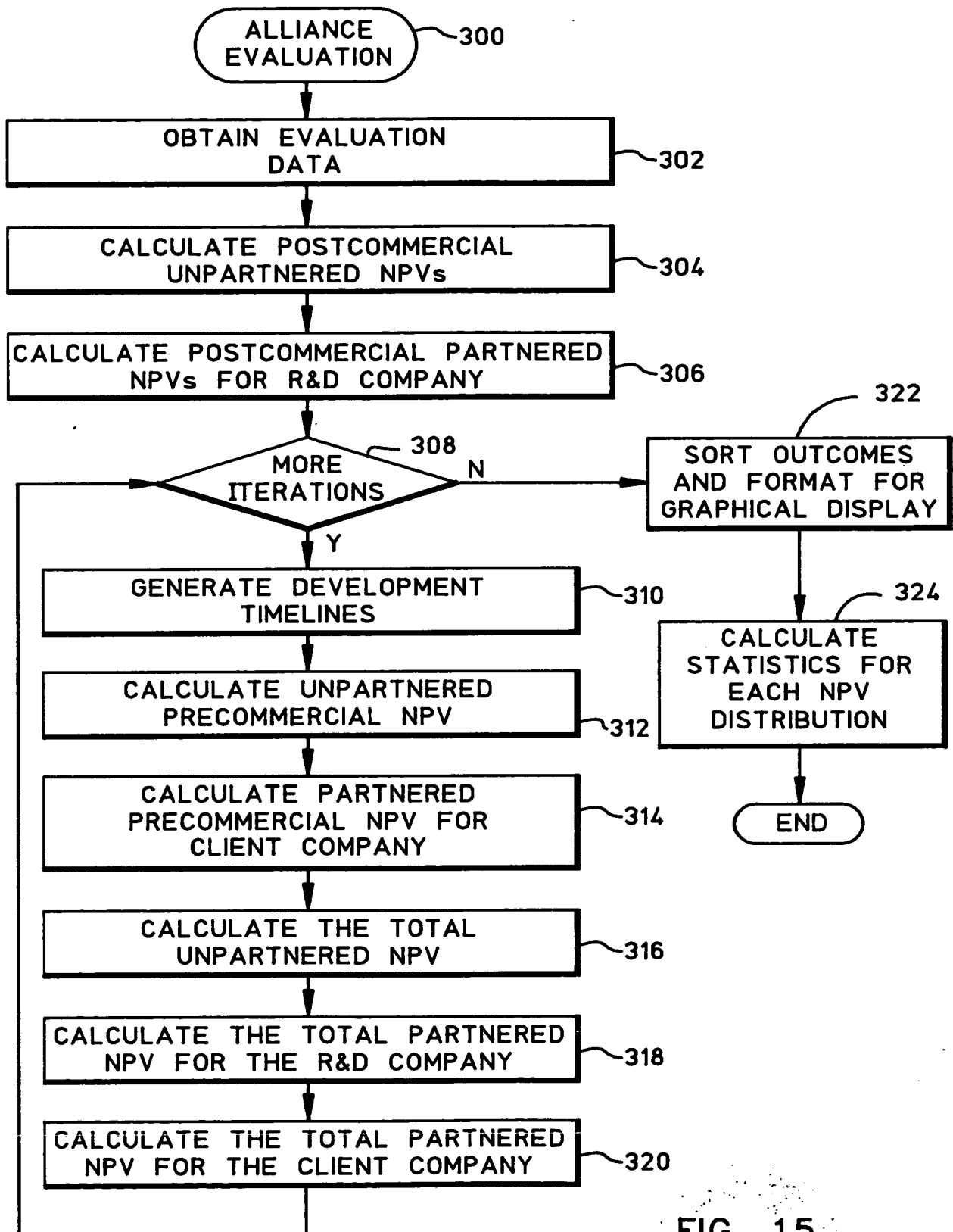


FIG. 15



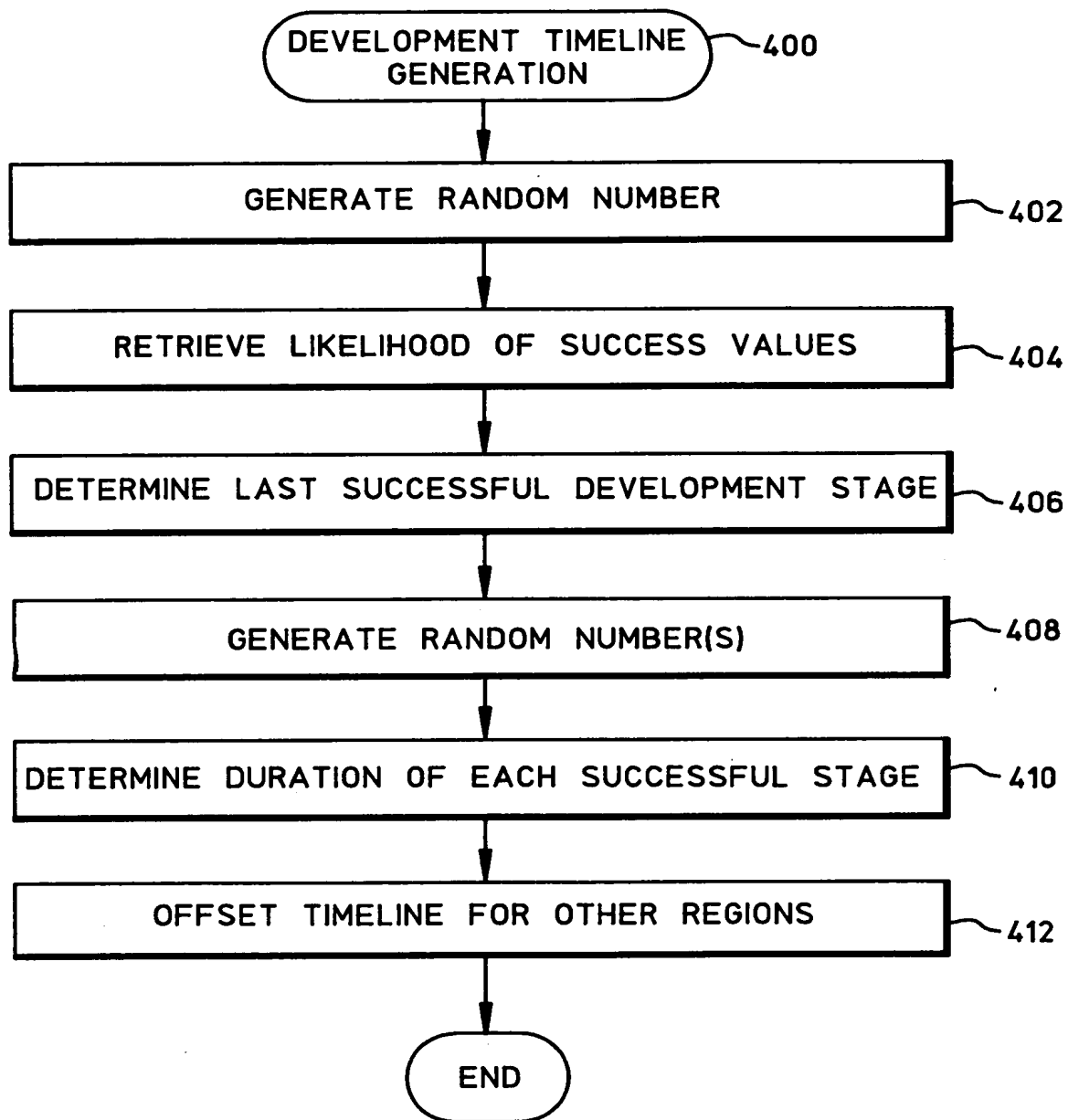


FIG. 16

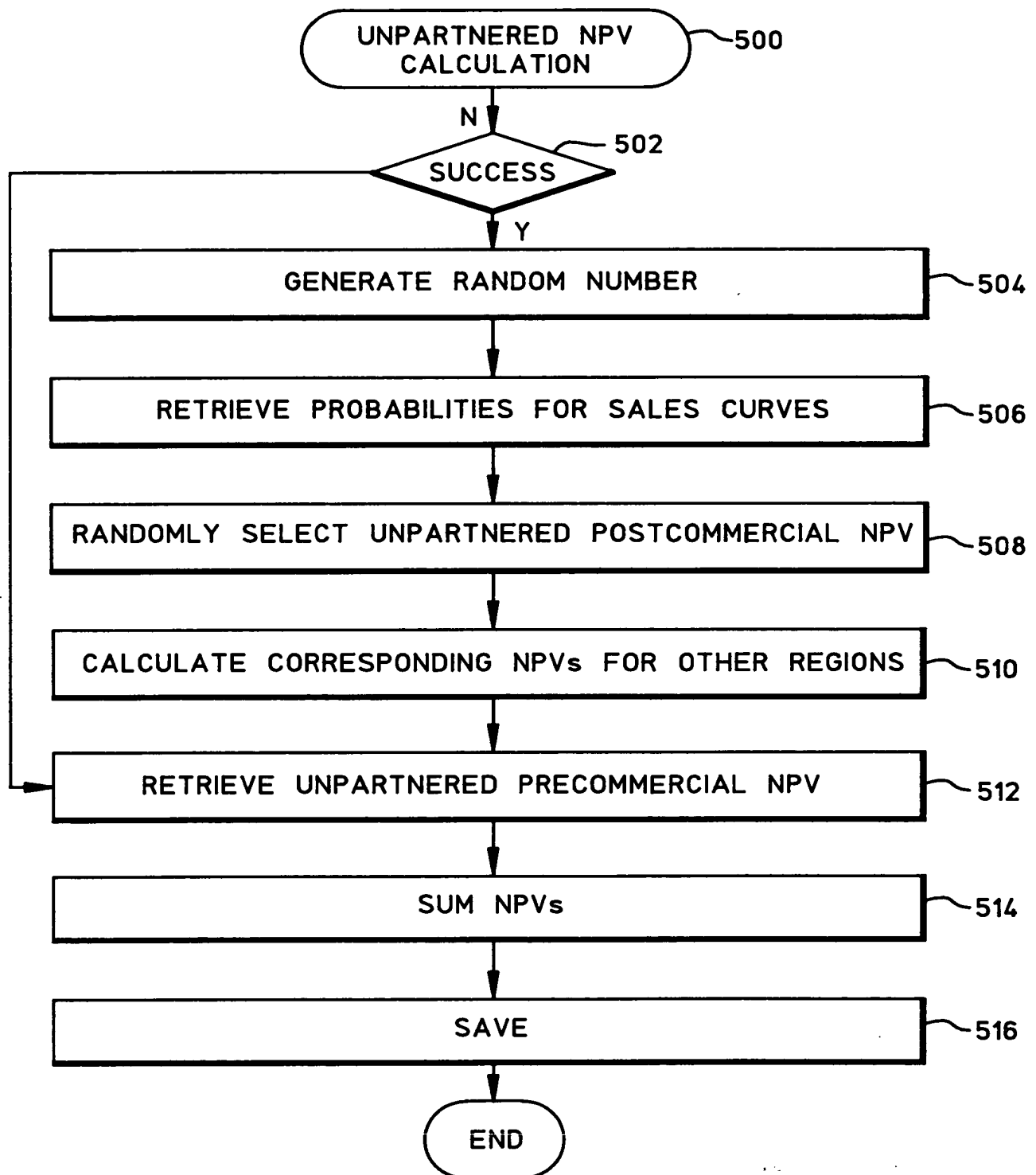


FIG. 17

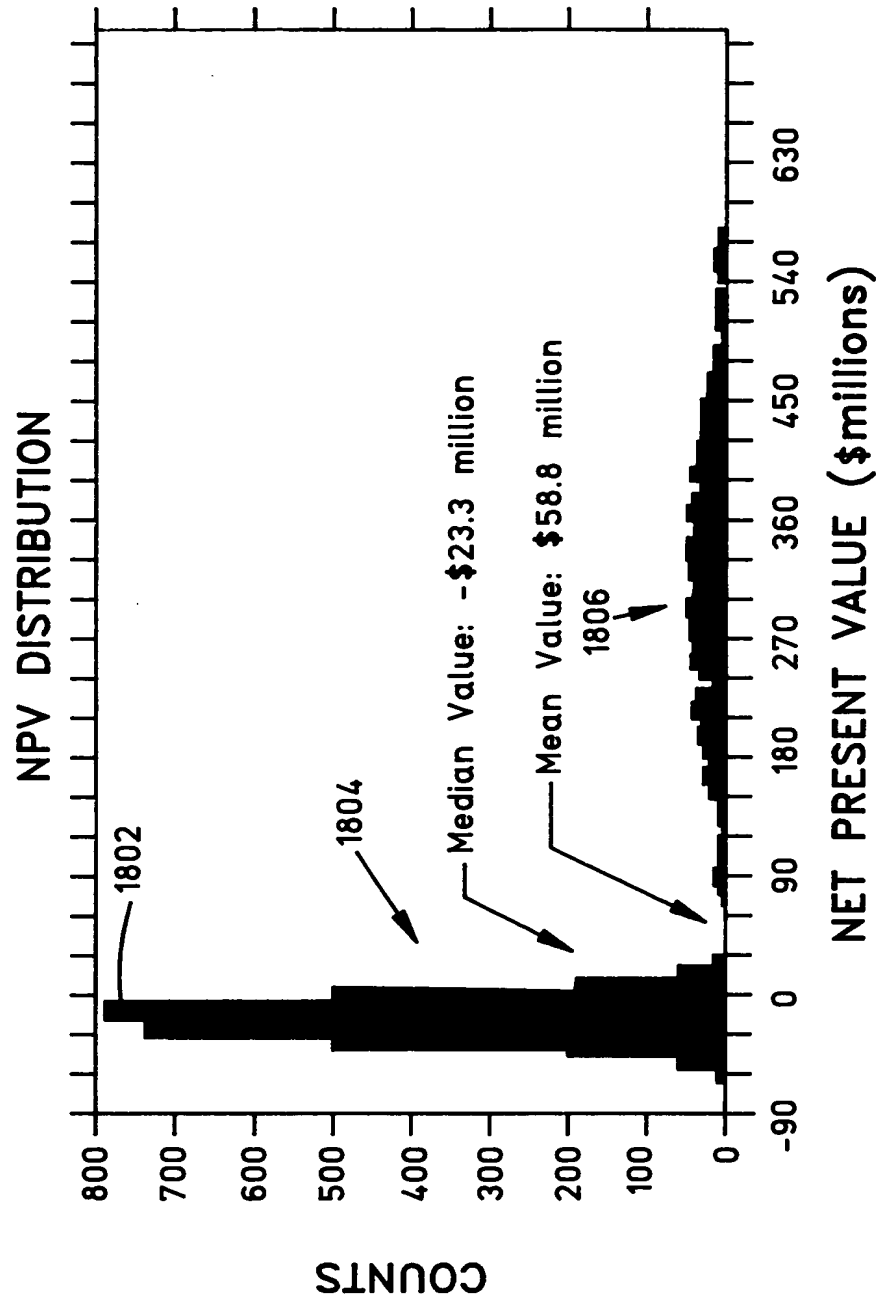


FIG. 18

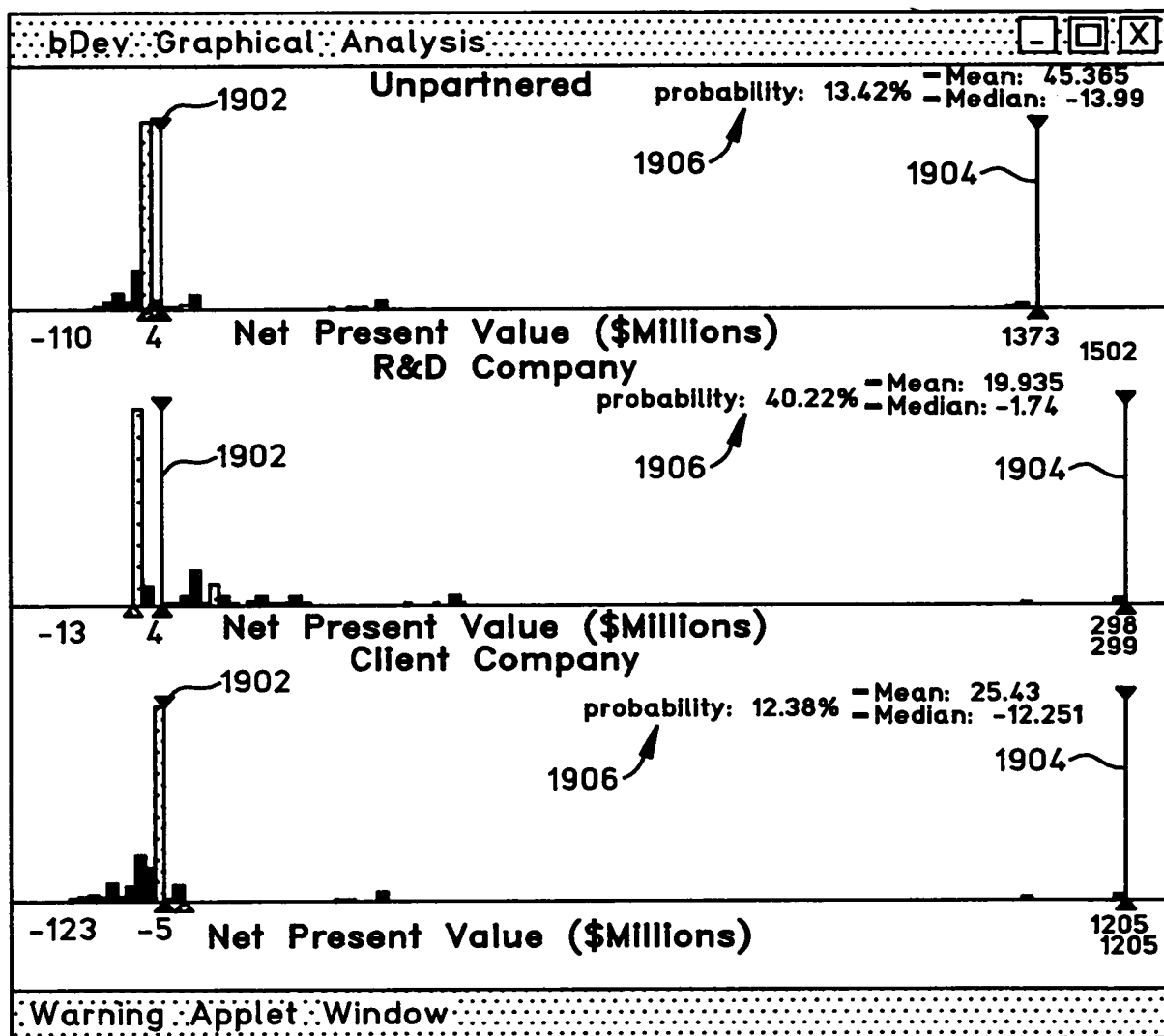


FIG. 19

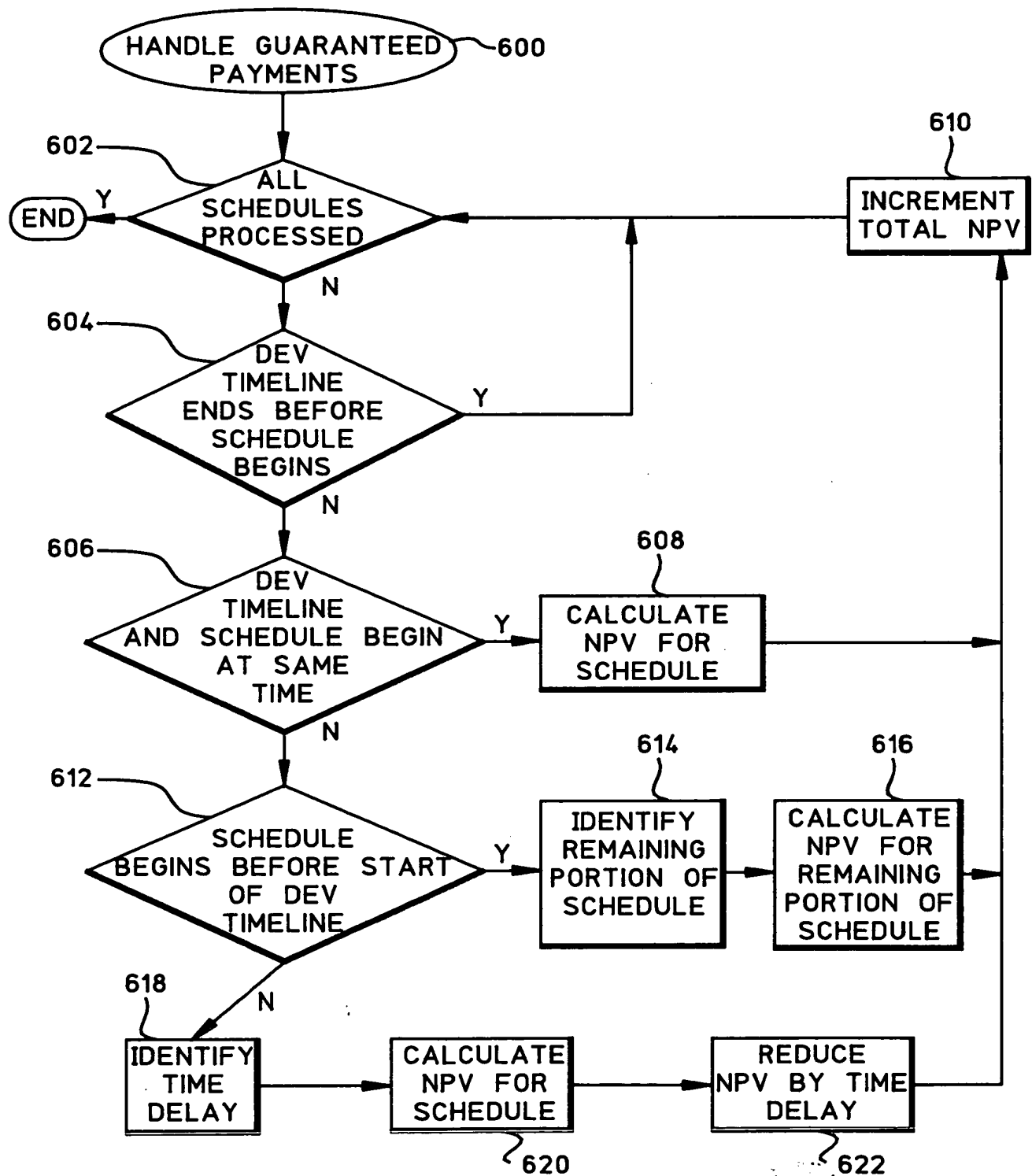


FIG. 20

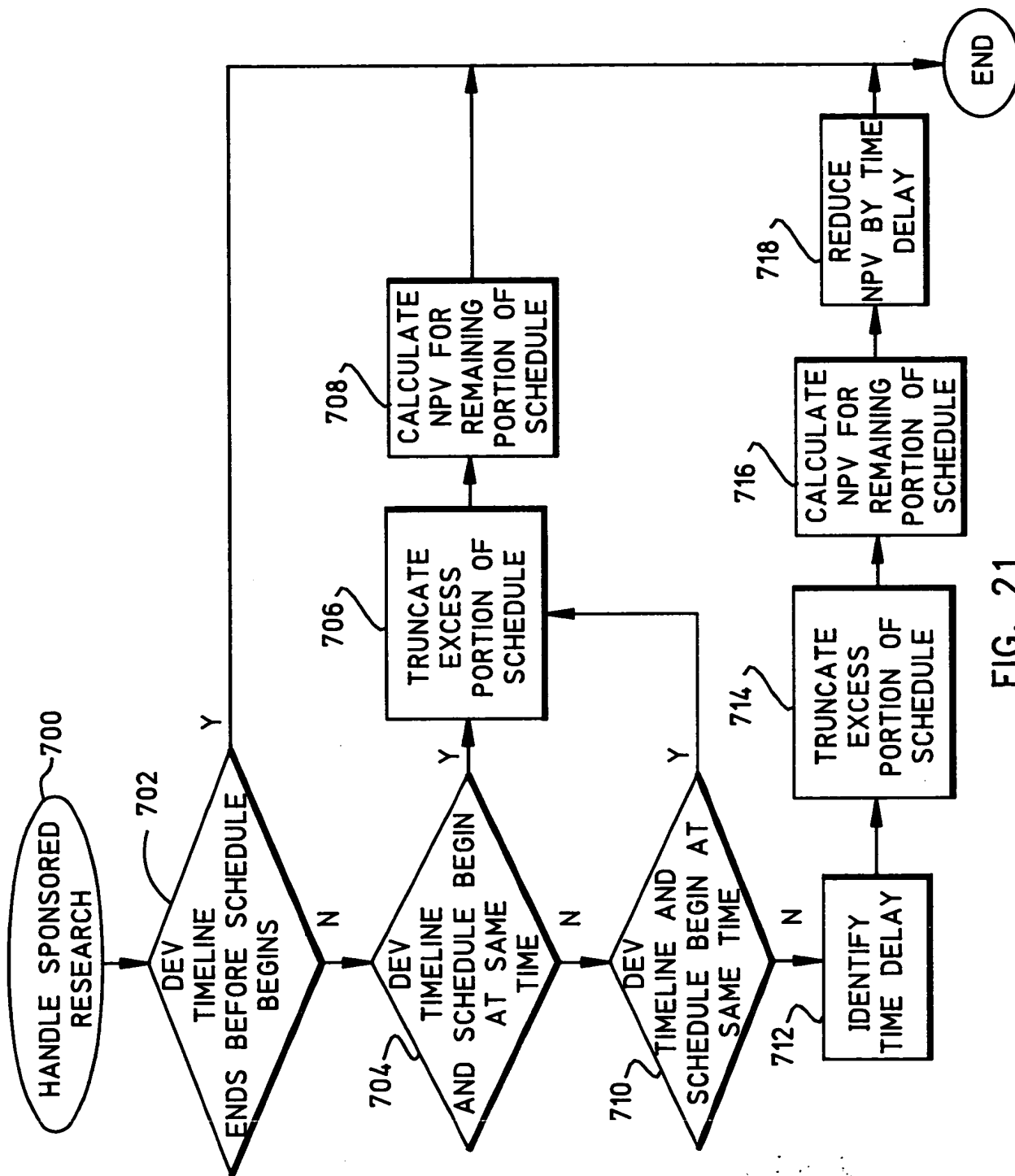


FIG. 21

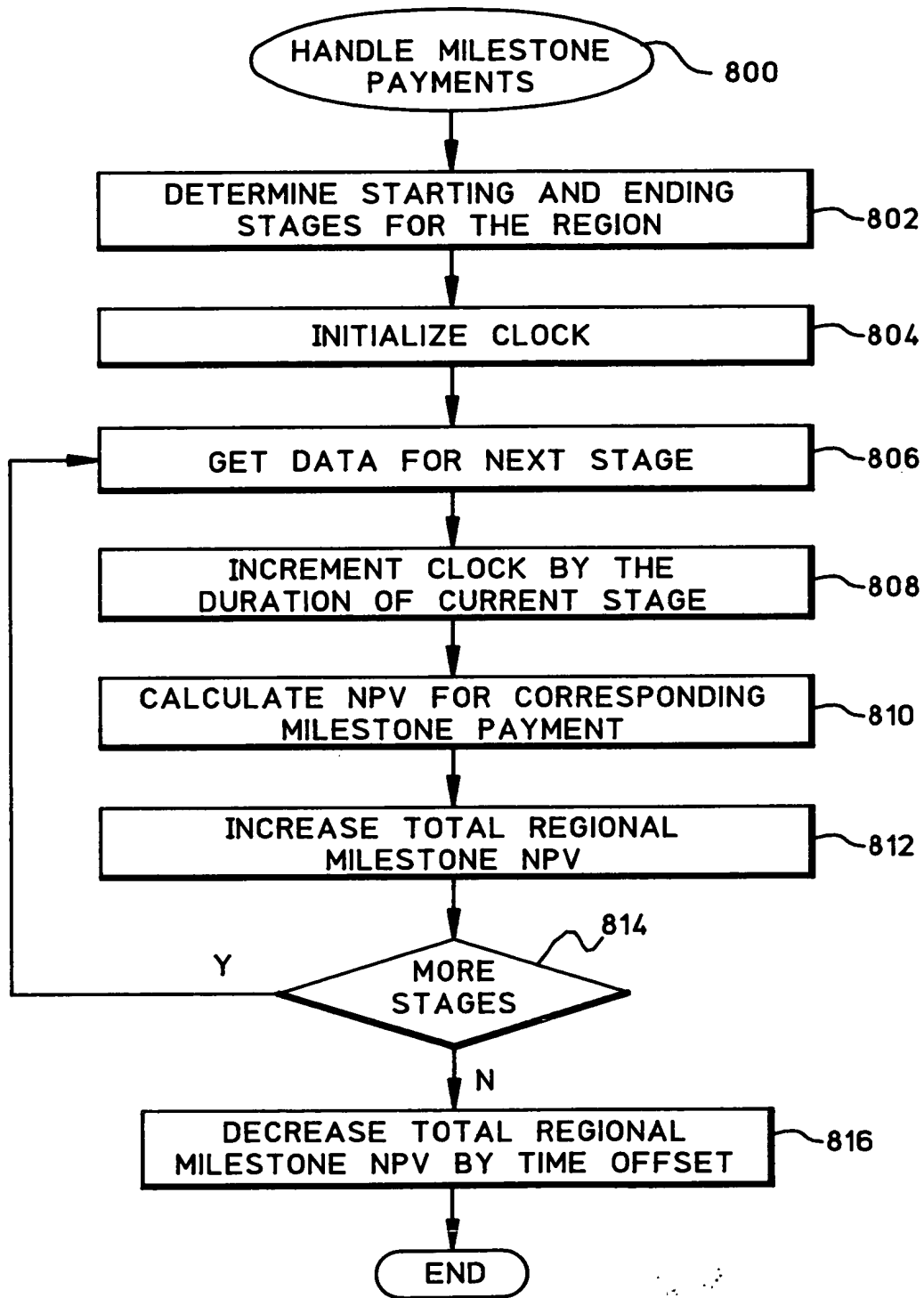


FIG. 22

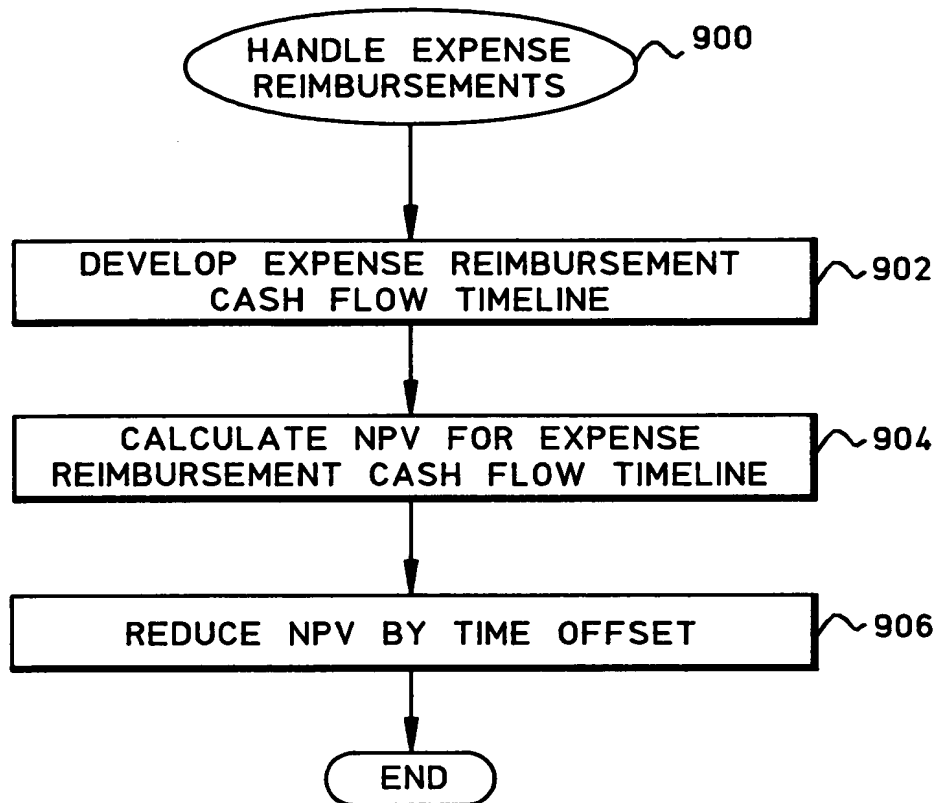


FIG. 23



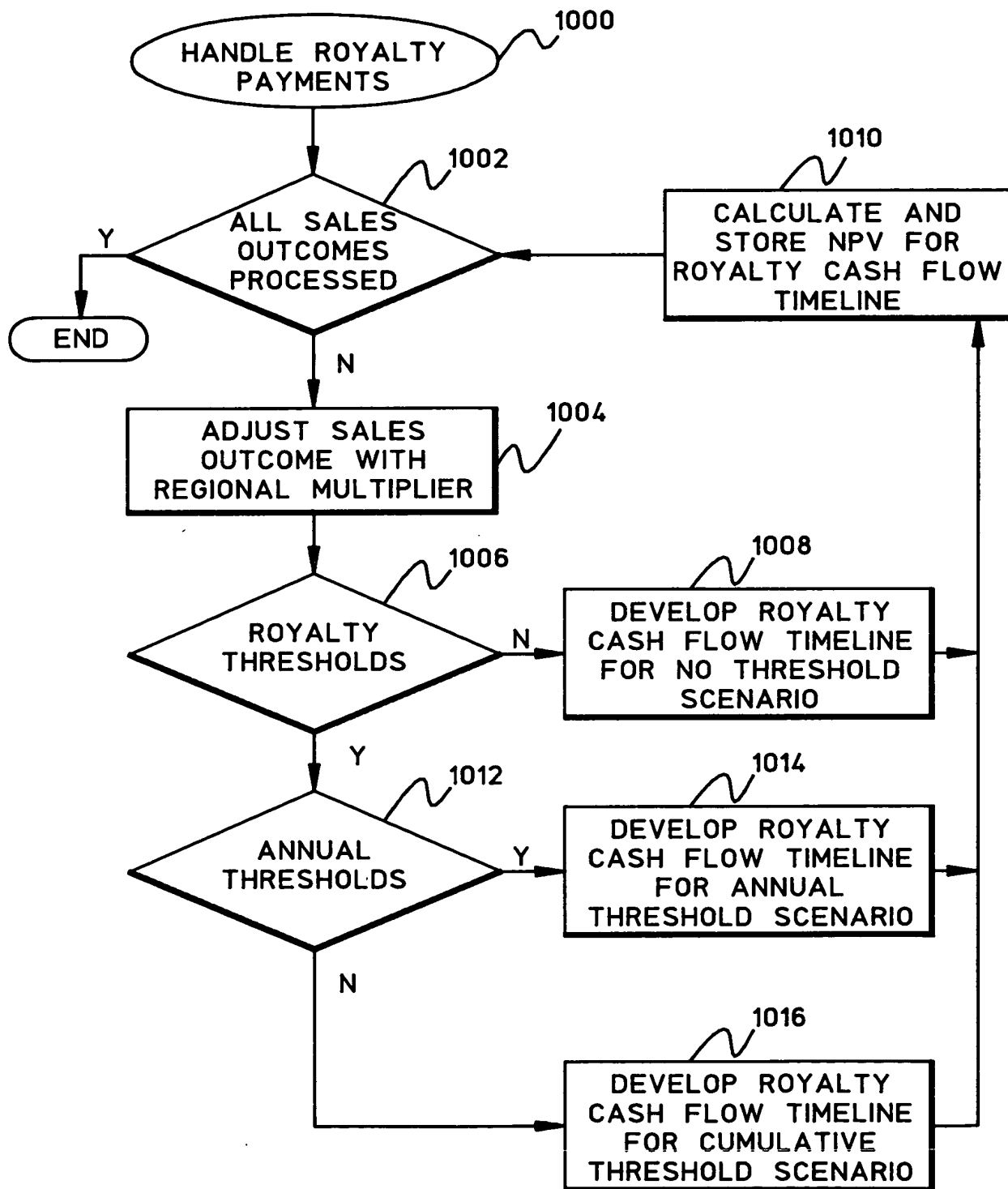


FIG. 24

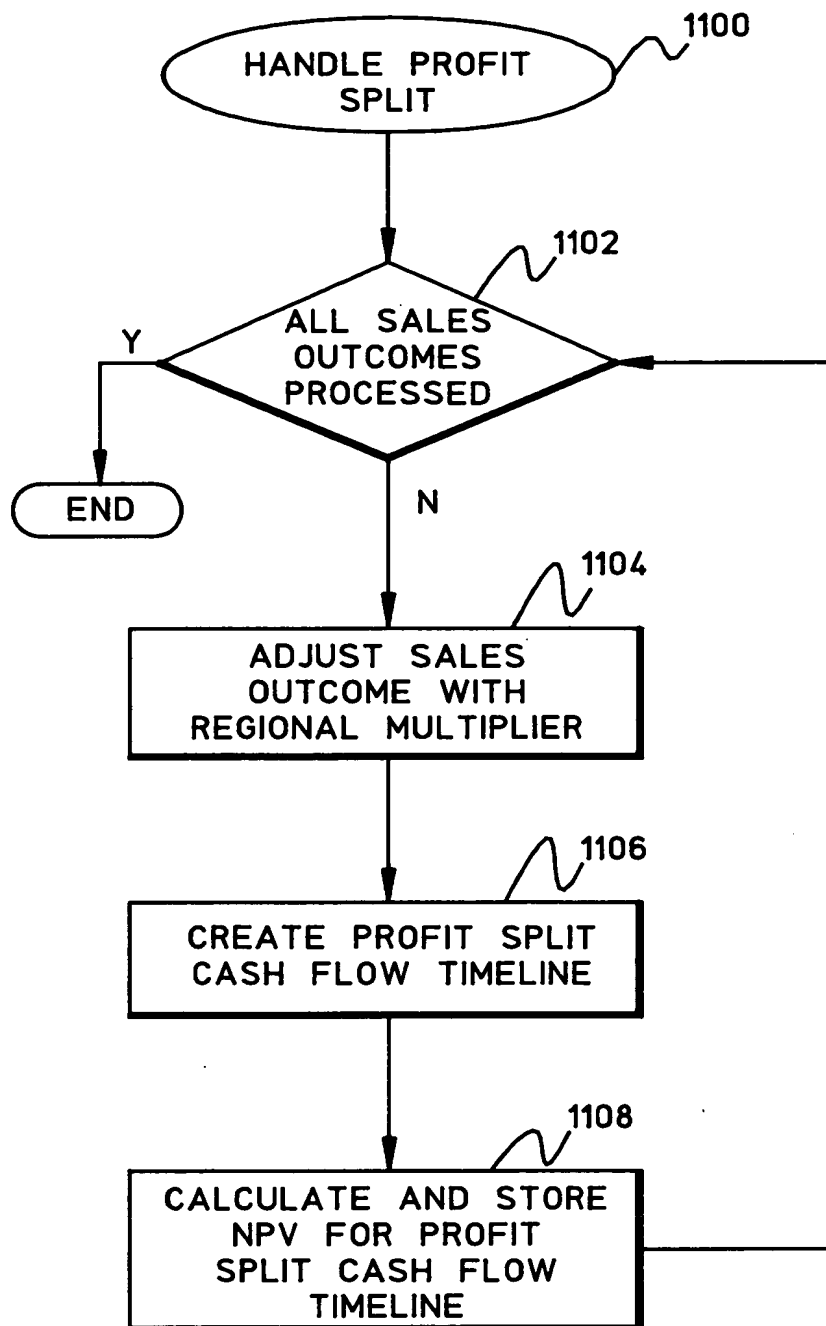


FIG. 25

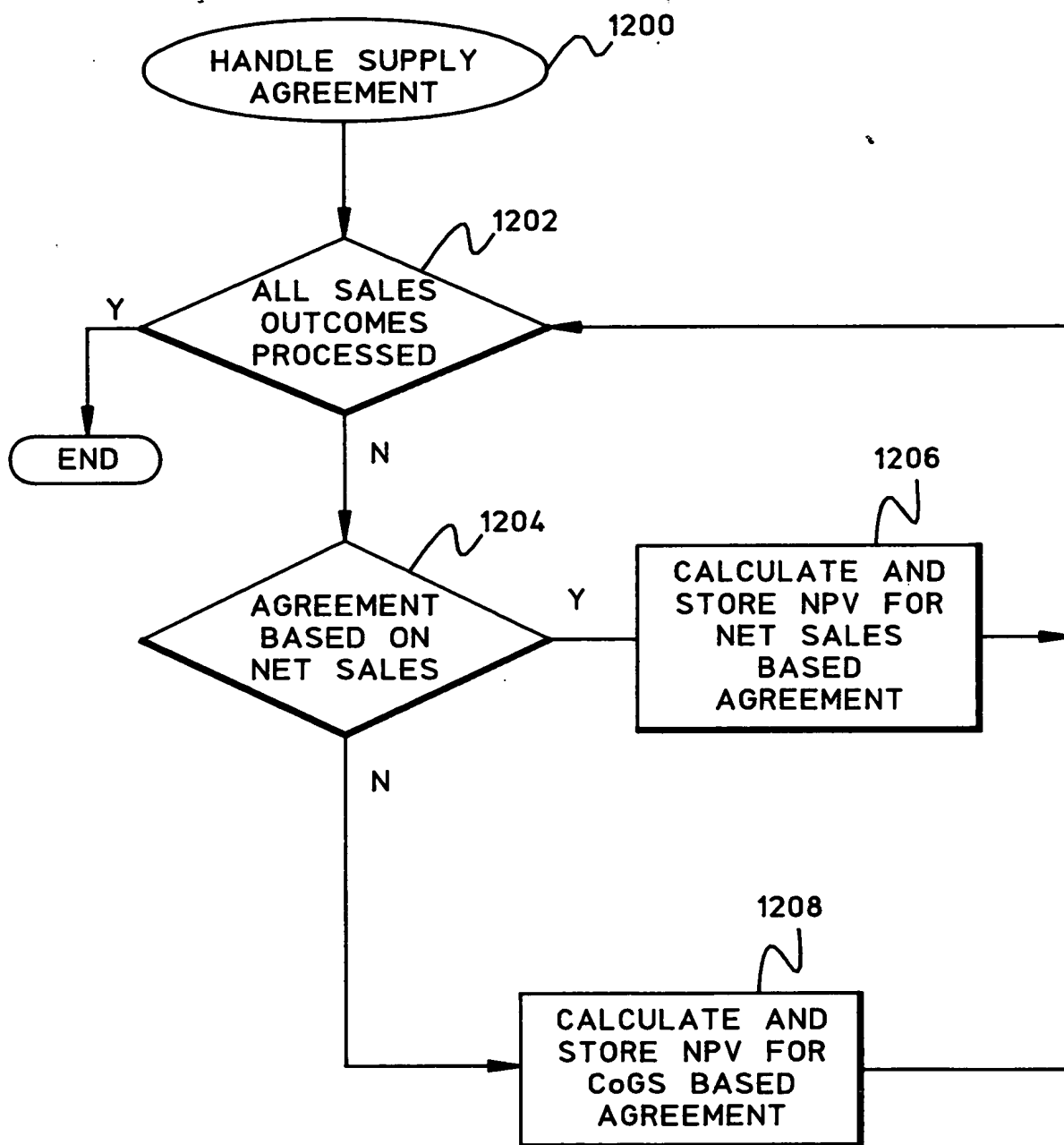


FIG. 26